Figure 4.12. Employment Losses and Employment Protection Legislation

The employment rate gap measures the employment rate relative to its precrisis trend.

The index is a summary indicator of the OECD employment protection legislation strictness. Because employment protection legislation index data start in the mid-1980s, the 1985 observation is used for Spain 1977.

Sources: IMF, Structural Reform Database; and IMF staff calculations.

1 The employment rate gap measures the employment rate relative to its precrisis trend.

2 The index is a summary indicator of the OECD employment protection legislation strictness. Because employment protection legislation index data start in the mid-1980s, the 1985 observation is used for Spain 1977.

3 The index is constructed based on the notice period required to terminate employment.